

House File 2128 - Enrolled

House File 2128

AN ACT

RELATING TO RENEWABLE FUELS, INCLUDING ETHANOL BLENDED
GASOLINE AND BIODIESEL BLENDED FUEL USED TO POWER
INTERNAL COMBUSTION ENGINES, BY PROVIDING FOR COMPLIANCE
REQUIREMENTS AND PROMOTIONAL INITIATIVES THAT RELATE TO
ESTABLISHING CLASSIFICATIONS AND STANDARDS FOR RENEWABLE
FUELS, ADVERTISING AND SELLING RENEWABLE FUELS, STORING
AND DISPENSING RENEWABLE FUELS, USING STATE MOTOR VEHICLES
POWERED BY RENEWABLE FUELS, AND TAXES, TAX CREDITS, AND TAX
REFUNDS RELATING TO RENEWABLE FUELS; PROVIDING PENALTIES AND
MAKING PENALTIES APPLICABLE; AND INCLUDING EFFECTIVE DATE
AND RETROACTIVE APPLICABILITY PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

COMPLIANCE REQUIREMENTS — STANDARDS
AND CLASSIFICATIONS FOR GASOLINE — MOTOR FUEL STORAGE
AND DISPENSING INFRASTRUCTURE

PART A

E-15 ACCESS STANDARD

Section 1. NEW SECTION. 214A.31 E-15 access standard —
establishment.

In order to ensure consumer access to gasoline containing
fifteen percent ethanol by volume, an E-15 access standard is

established in accordance with 2013 Iowa Acts, ch. 127, §1, section 159A.1, and this subchapter.

Sec. 2. NEW SECTION. 214A.32 E-15 access standard — retail dealer compliance.

1. Except as provided in sections 214A.33 through 214A.36, a retail dealer owning or operating a retail motor fuel site shall comply with the E-15 access standard as provided in this section.

2. In order to comply with the E-15 access standard, a retail dealer must advertise for sale and sell E-15 gasoline from a minimum number of qualifying gasoline dispensers located at the retail dealer's retail motor fuel site. A qualifying gasoline dispenser must be capable of dispensing gasoline at all times that it is in operation.

a. Except as provided in paragraph "b", a retail dealer shall comply with a general E-15 access standard by dispensing E-15 gasoline from the following:

(1) One qualified gasoline dispenser, if there is only one qualified gasoline dispenser.

(2) At least fifty percent of all qualified gasoline dispensers, if there are more than one qualified gasoline dispenser.

b. (1) A retail dealer complies with an alternative E-15 access standard if all of the following apply:

(a) On and after January 1, 2023, the retail dealer does not install, replace, or convert a gasoline storage tank.

(b) On and after January 1, 2026, the retail dealer advertises for sale and sells E-15 gasoline from at least one qualifying gasoline dispenser.

(2) A retail dealer who no longer complies with the alternative E-15 access standard as provided in subparagraph (1) shall immediately comply with the general E-15 access standard as provided in paragraph "a".

c. The E-15 access standard does not prohibit a retail dealer owning or operating a retail motor fuel site from advertising for sale and selling motor fuel from any number of nonqualifying motor fuel dispensers. A nonqualifying motor

fuel dispenser is limited to any of the following:

(1) A dispenser that exclusively dispenses any of the following:

- (a) Aviation fuel.
- (b) Diesel fuel.
- (c) Kerosene.

(2) A dispenser that is part of a tank vehicle as defined in section 321.1 that is not used to dispense gasoline on the premises of the retail motor fuel site.

(3) A dispenser that is part of a commercial marina.

3. *a.* A retail dealer is not in violation of this section during any period of noncompliance with the E-15 access standard caused by an excusable event. An excusable event is limited to any of the following:

(1) The maintenance, repair, or reconditioning of gasoline storage and dispensing infrastructure.

(2) The installation, expansion, replacement, or conversion of gasoline storage and dispensing infrastructure.

b. The department may require that a retail dealer notify the department that an excusable event as described in paragraph “*a*” is planned to occur, is occurring, or has occurred. The department may inspect the applicable retail motor fuel site to determine whether the noncompliance is caused by an excusable event.

4. *a.* This section shall be implemented on January 1, 2023.

b. This subsection is repealed January 2, 2023.

Sec. 3. NEW SECTION. 214A.33 Suspension of E-15 access standard by order issued by governor.

1. The governor may issue or renew an executive order that temporarily suspends the requirement in section 214A.32 that a retail dealer comply with the E-15 access standard at a retail motor fuel site owned or operated by the retail dealer.

2. The E-15 access standard suspension order as described in subsection 1 must be supported by the governor’s determination that any of the following apply:

- a.* There is an inadequate supply of E-15 gasoline.
- b.* The market price of E-15 gasoline may cause consumers to

suffer economic hardship.

c. Existing gasoline storage and dispensing infrastructure is not capable of storing and dispensing E-15 gasoline.

3. The governor may issue or renew an executive order under this section on a statewide or regional basis.

4. The E-15 access standard suspension order shall take effect on its date of publication in the Iowa administrative bulletin, unless the order specifies a later date. The order shall expire one year from its effective date unless a shorter period is stated in the order. The early expiration of the order may also occur based on circumstances described in the order.

5. *a.* This section shall be implemented on January 1, 2023.

b. This subsection is repealed January 2, 2023.

Sec. 4. NEW SECTION. 214A.34 Waiver of E-15 access standard by order issued by secretary of agriculture — E-15 unavailability.

1. The secretary of agriculture may issue an administrative order that temporarily waives the requirement in section 214A.32 that a retail dealer comply with the E-15 access standard at a retail motor fuel site owned or operated by the retail dealer based on E-15 gasoline availability.

2. A retail dealer may apply for an E-15 unavailability waiver order as described in subsection 1 by submitting an application to the department in a manner and according to procedures required by the department.

a. The application must be supported by credible evidence that the retail dealer has not been able to reasonably obtain E-15 gasoline to be advertised for sale and sold at the retail dealer's retail motor fuel site.

b. The retail dealer must sign the application which shall include a statement that the retail dealer swears and affirms that all information in the application completed by the retail dealer is true and correct.

3. The department shall publish a copy of the E-15 unavailability waiver order on the department's internet site within ten days after the order's issuance.

4. The E-15 unavailability waiver order shall take effect on its date of publication on the department's internet site, unless the order specifies a later date. The order shall expire six months from its effective date unless a shorter period is stated in the order. The early expiration of the order may also occur based on circumstances described in the order.

5. *a.* This section shall be implemented on January 1, 2023.

b. This subsection is repealed January 2, 2023.

Sec. 5. NEW SECTION. 214A.35 Waiver of alternative E-15 access standard by order issued by secretary of agriculture — E-15 incompatible infrastructure.

1. The secretary of agriculture shall issue an administrative order that temporarily waives the requirement in section 214A.32 that a retail dealer comply with the alternative E-15 access standard at a retail motor fuel site owned or operated by the retail dealer, if the retail motor fuel site qualifies under this section based on the incompatibility of the motor fuel storage and dispensing infrastructure to store and dispense E-15 gasoline.

2. A retail dealer may apply for an E-15 incompatible infrastructure waiver order as described in subsection 1 by submitting an application to the department in a manner and according to procedures required by the department.

a. The application must be supported by credible evidence that the retail dealer is unable to comply with the alternative E-15 access standard because the gasoline storage and dispensing infrastructure located at the retail motor fuel site is not compatible with the use of E-15 gasoline and that the retail dealer is eligible for a class 1 or class 2 waiver as provided in this section.

b. The application must provide information required to be completed by the retail dealer, which must include an inventory and description of gasoline storage and dispensing infrastructure located at the retail motor fuel site.

c. The department may require a retail dealer to attach any supporting documentation to the application, which may include an inspection report completed by a person certified by the department as a professional retail motor fuel site installer.

The certified professional retail motor fuel site installer may be a licensed engineer or other person who the department determines is qualified by education, testing, or experience to oversee a project involving the installation, replacement, or conversion of gasoline storage and dispensing infrastructure, and who is able to provide a reliable estimate of the project's costs.

d. The department shall review and evaluate an application to determine whether it is supported by credible evidence sufficient for the secretary to issue an order granting a waiver under this section. The department shall approve or disapprove a completed application within one hundred twenty days following the date that the application was delivered to the department for filing.

e. The retail dealer must sign the application which shall include a statement that the retail dealer swears and affirms that all information in the application completed by the retail dealer is true and correct. If a certified professional retail motor fuel site installer completes an inspection report to support an application, the installer shall sign a statement that the installer swears and affirms that all information in the inspection report completed by the installer is true and correct.

f. The department may inspect the premises of a retail motor fuel site during normal business hours to administer and enforce the provisions of this section.

g. The department of agriculture and land stewardship may cooperate with the department of natural resources and the state fire marshal in administering and enforcing the provisions of this section.

3. The department shall publish a copy of the E-15 incompatible infrastructure waiver order on the department's internet site within ten days after the order's issuance. The order shall take effect on its date of publication, unless the order specifies a later date.

4. *a.* The secretary of agriculture shall terminate the E-15 incompatible infrastructure waiver order if a terminable event has occurred. A terminable event occurs on the date that any of the following apply:

(1) The failure of a retail dealer to be licensed as required under section 214.2 to use a commercial weighing and measuring device when dispensing gasoline.

(2) The cessation of the retail dealer's business of advertising for sale or selling gasoline at the retail motor fuel site.

(3) The installation, replacement, or conversion of a motor fuel storage tank located at the retail motor fuel site.

b. The department may require that a retail dealer notify the department that a terminable event as described in paragraph "a" is planned to occur, is occurring, or has occurred.

5. a. The secretary of agriculture shall issue an E-15 incompatible infrastructure class 1 waiver order as provided in this subsection. If the department determines an inspection of the retail motor fuel site is necessary, it may either conduct the inspection or accept an inspection report completed by a certified professional retail motor fuel site installer.

b. The order must be supported by credible evidence that all gasoline storage tanks that are located at the retail motor fuel site fall within any number of the following categories:

(1) Each gasoline storage tank not constructed of fiberglass was installed during or prior to 1985.

(2) Each gasoline storage tank constructed of fiberglass was installed during or prior to the following years:

(a) For a double-wall fiberglass underground gasoline storage tank, 1991.

(b) For a single-wall fiberglass underground gasoline storage tank, 1996.

6. The secretary of agriculture shall issue an E-15 incompatible infrastructure class 2 waiver order as provided in this subsection. The order shall be based on an inspection of the retail motor fuel site. The department shall file and analyze a completed inspection report submitted by a certified professional retail motor fuel site installer.

a. The inspection report must be supported by credible evidence and include all of the following:

(1) A completed checklist of items adopted as part of a form

used by the department to confirm that the gasoline storage and dispensing infrastructure located at the retail motor fuel site is not compatible with E-15 gasoline.

(2) The total estimated cost of improving the retail motor fuel site to comply with the alternative E-15 access standard by installing, replacing, or converting the gasoline storage and dispensing infrastructure located at the retail motor fuel site.

b. (1) The department shall determine whether to issue an E-15 incompatible infrastructure class 2 waiver order based on an eligibility assessment which shall calculate all of the following:

(a) The total estimated cost of improvement which equals the sum of all of the following:

(i) The reasonable cost of assessing the retail motor fuel site to determine the estimated cost of improving the retail motor fuel site as described in subparagraph subdivision (ii).

(ii) The estimated cost of improving the retail motor fuel site to comply with the alternative E-15 access standard based on the department's analysis of the inspection report described in paragraph "a". The estimated cost of improving the retail motor fuel site shall only include costs used to calculate the amount of standard financial incentives that could be awarded by the renewable fuel infrastructure board to a retail dealer participating in the renewable fuel infrastructure program for retail motor fuel sites as provided in section 159A.14.

(b) The E-15 infrastructure base amount which equals the maximum cost necessary to be incurred by the retail dealer in order to receive the total amount of standard financial incentives that could be awarded to the retail dealer under tier III of the renewable fuel infrastructure program for retail motor fuel sites as provided in section 159A.14 in order to comply with the alternative E-15 access standard. The department's calculation shall not include any of the following:

(i) The amount of any prior financial incentives awarded to the retail dealer under the renewable fuel infrastructure program for retail motor fuel sites.

(ii) Whether the retail dealer may apply for, is applying for, or may be awarded any future financial incentives under the renewable fuel infrastructure program for retail motor fuel sites.

(2) A retail dealer is only eligible to be issued an E-15 incompatible infrastructure class 2 waiver order if the department determines that the total estimated cost of improvement as described in subparagraph (1), subparagraph division (a), exceeds the E-15 infrastructure base amount as described in subparagraph (1), subparagraph division (b).

7. *a.* This section shall be implemented on January 1, 2023.

b. This subsection is repealed January 2, 2023.

8. This section is repealed January 1, 2041.

Sec. 6. NEW SECTION. 214A.36 Exemption from E-15 access standard for small retail motor fuel sites — by order issued by secretary of agriculture.

1. *a.* The secretary of agriculture shall issue a small retail motor fuel site exemption administrative order to a retail dealer. The administrative order shall exempt the retail dealer from complying with the E-15 access standard, as otherwise required in section 214A.32, at a small retail motor fuel site owned or operated by the retail dealer.

b. To qualify as a small retail motor fuel site under this section, all of the following must apply:

(1) Prior to January 1, 2023, the retail motor fuel site included gasoline storage and dispensing infrastructure.

(2) The retail motor fuel site's average total gasoline gallonage was limited to three hundred thousand gallons or less for the qualifying phase as provided in this section.

2. *a.* A retail dealer may apply for an administrative order as described in subsection 1 by submitting an application to the department in a manner and according to procedures required by the department.

b. The retail dealer must sign the application which shall include a statement that the retail dealer swears and affirms that all information in the application completed by the retail dealer is true and correct.

3. *a.* Upon request by the department of agriculture and land stewardship, the department of revenue shall certify the

average total gasoline gallonage for the retail motor fuel site computed for the qualifying phase beginning on January 1, 2020, and ending on December 31, 2022.

b. The computation described in paragraph "a" shall be based on site-by-site information for the retail motor fuel site in reports required to be filed for determination periods by the retail dealer with the department of revenue pursuant to chapter 452A, subchapter II. However, if the department of revenue cannot obtain site-by-site information for the retail motor fuel site from such reports, the department of revenue may use other methods, including records maintained by the department of revenue under chapter 422, to compute the retail motor fuel site's gallonage for all or any part of that qualifying phase.

c. A retail dealer who submits an application under this section shall waive the confidentiality of information in the department of revenue's certification identifying the retail dealer or retail motor fuel site otherwise applicable under chapter 422 or 452A. The information maintained by the department of agriculture and land stewardship under this section is a confidential record under section 22.7 and shall be used by the department of agriculture and land stewardship for the limited purposes of evaluating the retail dealer's application for approval and issuing an administrative order described in subsection 1. The certification may be used in a criminal proceeding alleging the retail dealer committed perjury as described in section 214A.11 when completing the application. The application shall include a notice of the waiver. The department of agriculture and land stewardship shall redact such identifying information in any record otherwise requiring disclosure by that department under chapter 22.

d. The department of revenue, in cooperation with the department of agriculture and land stewardship, may adopt rules to administer this subsection.

4. The department shall publish on its internet site for each quarter of a calendar year information aggregated from administrative orders described in subsection 1 that shall be limited to the following:

- a.* The total number of administrative orders issued.
- b.* The total number of administrative orders in effect.

5. *a.* The secretary of agriculture shall terminate the administrative order described in subsection 1 if a terminable event has occurred. A terminable event occurs on the date that any of the following apply:

(1) The failure of a retail dealer to be licensed as required under section 214.2 to use a commercial weighing and measuring device when dispensing gasoline at the retail motor fuel site.

(2) The cessation of the retail dealer's business of advertising for sale or selling gasoline at the retail motor fuel site.

(3) The installation, replacement, or conversion of a gasoline storage tank located at the retail motor fuel site.

b. The department may require that a retail dealer notify the department that a terminable event as described in paragraph "a" is planned to occur, is occurring, or has occurred.

6. *a.* This section shall be implemented on January 1, 2023.

b. This subsection is repealed January 2, 2023.

Sec. 7. NEW SECTION. 214A.37 Disciplinary action.

1. The department may refuse to issue or renew and may suspend or revoke a license issued to a retail dealer pursuant to section 214.2 for not complying with the E-15 access standard as provided in section 214A.32, including rules adopted by the department pursuant to section 214A.1A to administer or enforce that section.

2. *a.* This section shall be implemented on January 1, 2023.

b. This subsection is repealed January 2, 2023.

Sec. 8. ISSUANCE OF ORDERS SUSPENDING, WAIVING, OR EXEMPTING E-15 ACCESS STANDARD.

1. The governor may issue an E-15 access standard suspension order as provided in section 214A.33, as enacted in this part of this division of this Act, prior to January 1, 2023, if the governor determines it is necessary to issue the order prior to that date.

2. The secretary of agriculture may issue an E-15 unavailability waiver order as provided in section 214A.34, as

enacted in this part of this division of this Act, prior to January 1, 2023, if the secretary determines it is necessary to issue the order prior to that date.

3. The secretary of agriculture may issue an E-15 incompatible infrastructure waiver order as provided in section 214A.35, as enacted in this part of this division of this Act, prior to January 1, 2023, if the secretary determines it is necessary to issue the order prior to that date.

4. The secretary of agriculture may issue a small retail motor fuel site exemption administrative order as provided in section 214A.36, as enacted in this part of this division of this Act, prior to January 1, 2023, if the secretary determines it is necessary to issue the order prior to that date.

Sec. 9. ADOPTION OF RULES IMPLEMENTING E-15 ACCESS STANDARD, E-15 INCOMPATIBLE INFRASTRUCTURE WAIVER ORDER, AND SMALL RETAIL MOTOR FUEL SITE EXEMPTION ADMINISTRATIVE ORDER.

1. The department of agriculture and land stewardship shall adopt rules pursuant to chapter 17A prior to January 1, 2023, as necessary to administer and enforce the E-15 access standard, as provided in section 214A.32, as enacted in this part of this division of this Act.

2. The department of agriculture and land stewardship shall adopt rules pursuant to chapter 17A prior to January 1, 2023, as necessary to administer and enforce an E-15 incompatible infrastructure waiver order, as provided in section 214A.35, as enacted in this part of this division of this Act.

3. The department of agriculture and land stewardship shall adopt rules pursuant to chapter 17A prior to January 1, 2023, as necessary to administer and enforce a small retail motor fuel site exemption administrative order as provided in section 214A.36, as enacted in this part of this division of this Act.

PART B

RELATED RENEWABLE FUELS AND INFRASTRUCTURE PROVISIONS

Sec. 10. Section 214.1, Code 2022, is amended by adding the following new subsections:

NEW SUBSECTION. 1A. "*Department*" means the department of agriculture and land stewardship.

NEW SUBSECTION. 1B. "*E-15 gasoline*" or "*E-15*" means the same as defined in section 214A.1.

NEW SUBSECTION. 3A. *"Motor fuel dispenser" or "dispenser"* means equipment that is the part of motor fuel storage and dispensing infrastructure that includes mechanical or electrical systems that operate a motor fuel pump dispensing motor fuel from a motor fuel storage tank to the end point of the equipment's nozzle.

NEW SUBSECTION. 4A. a. *"Motor fuel storage and dispensing infrastructure" or "infrastructure"* means equipment used to do any of the following:

- (1) Store and dispense motor fuel.
- (2) Store, blend, and dispense motor fuel.

b. *"Motor fuel storage and dispensing infrastructure" or "infrastructure"* includes but is not limited to a motor fuel storage tank, motor fuel pump or motor fuel blender pump, motor fuel dispenser, and associated pipes, hoses, nozzles, tubes, lines, fittings, valves, filters, seals, and covers.

Sec. 11. Section 214.1, subsections 3, 4, and 5, Code 2022, are amended to read as follows:

3. *"Motor fuel blender pump" or "blender pump"* means a motor fuel ~~meter pump~~ pump that measures and dispenses a type of motor fuel that is blended ~~from~~ to formulate two or more different ~~types~~ classifications of that motor fuels ~~and which may dispense more than one type of blended motor fuel.~~

4. *"Motor fuel pump"* means the part of motor fuel storage and dispensing infrastructure that is a meter or similar commercial weighing and measuring device used to measure and dispense motor fuel originating from a motor fuel storage tank, on a retail basis.

5. *"Motor fuel storage tank" or "storage tank"* means the part of motor fuel storage and dispensing infrastructure that includes an aboveground or belowground container ~~that is~~ constituting a fixture used to store an accumulation of motor fuel.

Sec. 12. Section 214.9, Code 2022, is amended to read as follows:

214.9 Self-service motor fuel pumps dispensers.

A self-service motor fuel dispenser operating a motor fuel pump located at a retail motor fuel site may be equipped with an automatic latch-open device on the fuel dispensing hose

nozzle only if the nozzle valve is the automatic closing type.

Sec. 13. NEW SECTION. 214.12 Inspections of motor fuel dispensers — E-15 access standard.

1. In conducting an inspection under section 214.11, an inspector for the department shall determine if a retail dealer is advertising for sale and selling E-15 gasoline at a retail motor fuel site in compliance with the E-15 access standard as provided in section 214A.32.

2. *a.* This section shall be implemented on January 1, 2023.

b. This subsection is repealed January 2, 2023.

Sec. 14. Section 214A.1, Code 2022, is amended by adding the following new subsections:

NEW SUBSECTION. 2A. "*B-20 biodiesel fuel*" or "*B-20*" means a classification of biodiesel blended fuel formulated with a percentage of twenty percent by volume of biodiesel, if the formulation meets the standards provided in section 214A.2.

NEW SUBSECTION. 10A. "*Determination period*" means any twelve-month period beginning on January 1 and ending on December 31 in which a retail dealer who owns or operates a retail motor fuel site sells and dispenses gasoline or diesel fuel from that retail motor fuel site as calculated by the department of revenue in chapter 452A, subchapter II.

NEW SUBSECTION. 12A. "*E-15 gasoline*" or "*E-15*" means a classification of ethanol blended gasoline formulated with a percentage of fifteen percent by volume of ethanol, if the formulation meets the standards provided in section 214A.2.

NEW SUBSECTION. 16A. "*Gasoline dispenser*" means a type of motor fuel dispenser that is part of gasoline storage and dispensing infrastructure.

NEW SUBSECTION. 16B. "*Gasoline storage and dispensing infrastructure*" or "*gasoline infrastructure*" means motor fuel storage and dispensing infrastructure used to do any of the following:

a. Store and dispense gasoline, including ethanol blended gasoline or biobutanol blended gasoline.

b. Store, blend, and dispense gasoline, including ethanol blended gasoline or biobutanol blended gasoline.

NEW SUBSECTION. 16C. "*Gasoline storage tank*" means a type of motor fuel storage tank used to store an accumulation of

gasoline.

NEW SUBSECTION. 18A. *"Motor fuel dispenser" or "dispenser"* means the same as defined in section 214.1.

NEW SUBSECTION. 19A. *"Motor fuel storage and dispensing infrastructure" or "infrastructure"* means the same as defined in section 214.1.

Sec. 15. NEW SECTION. 214A.1A **Administration and enforcement.**

1. This chapter shall be administered and enforced by the department which may adopt rules under chapter 17A to carry out the provisions of this chapter.

2. The department may adopt rules necessary to administer and enforce this chapter in conjunction with chapter 214.

Sec. 16. Section 214A.2, subsection 1, Code 2022, is amended to read as follows:

1. a. The department shall adopt rules pursuant to chapter 17A for carrying out ~~this chapter~~. The rules may include but are not limited to specifications establishing departmental standards relating to motor fuel, ~~including but not limited to renewable fuel such as ethanol blended gasoline, biobutanol blended gasoline, biodiesel, biodiesel blended fuel, fuels and motor fuel components such as an oxygenate.~~

b. In the interest of uniformity, the department shall adopt by reference ~~either in part or in whole, as some of its departmental standards described in paragraph "a", applicable specifications relating to tests and standards for motor fuel, including renewable fuel and motor fuel components, adopted by ASTM international and applicable requirements established by the United States environmental protection agency and A.S.T.M. international.~~

Sec. 17. Section 214A.2, subsection 4, paragraph b, Code 2022, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (5) (a) Biodiesel blended fuel classified as higher than B-20 must conform to standards adopted by the department.

(b) The rules adopted by the department of agriculture and land stewardship establishing standards for biodiesel blended fuel classified as higher than B-20 shall take effect not earlier than sixty days after the date of filing in

accordance with section 17A.5, subsection 2, paragraph "a". The department of agriculture and land stewardship shall notify the legislative services agency, the governor, the department of natural resources, and the department of revenue of the effective date of the rules at least thirty days prior to the effective date of the rules.

Sec. 18. Section 214A.8, Code 2022, is amended to read as follows:

214A.8 Prohibition.

A dealer shall not knowingly sell motor fuel or biofuel in the state that fails to meet applicable standards and classifications as provided in [section 214A.2](#).

Sec. 19. Section 214A.11, subsection 1, Code 2022, is amended to read as follows:

1. Except as otherwise provided in ~~subsection 2~~ [subsection 3](#), a person who violates a provision of [this chapter](#) is guilty of a serious misdemeanor or is subject to an alternative civil enforcement action under subsection 2. Each day that a continuing violation occurs shall be considered a separate offense.

Sec. 20. Section 214A.11, Code 2022, is amended by adding the following new subsection:

NEW SUBSECTION. 3. a. (1) A retail dealer who submits an application for an E-15 unavailability waiver order under section 214A.34 that the retail dealer knows includes information that is not true and correct commits perjury as provided in section 720.2.

(2) (a) This paragraph "a" shall be implemented on January 1, 2023.

(b) This subparagraph is repealed January 2, 2023.

b. (1) A retail dealer who submits an application for an E-15 incompatible infrastructure waiver order under section 214A.35 that the retail dealer knows is not true and correct commits perjury as provided in section 720.2.

(2) A certified professional retail motor fuel site installer who submits an inspection report as part of an application for an E-15 incompatible infrastructure waiver order under section 214A.35 that the installer knows is not true and correct commits perjury under section 720.2.

(3) (a) This paragraph "b" shall be implemented on January 1, 2023.

(b) This subparagraph is repealed on January 2, 2023.

c. (1) A retail dealer who submits an application for a small retail motor fuel site exemption administrative order under section 214A.36 that the retail dealer knows is not true and correct commits perjury as provided in section 720.2.

(2) (a) This paragraph "c" shall be implemented on January 1, 2023.

(b) This subparagraph is repealed January 2, 2023.

Sec. 21. Section 214A.20, Code 2022, is amended to read as follows:

214A.20 Limitation on liability.

1. A retail dealer or other marketer, pipeline company, refiner, terminal operator, or terminal owner is not liable for damages caused by the use of incompatible motor fuel dispensed from a motor fuel dispenser located at the retail dealer's retail motor fuel site, if all of the following apply:

a. The incompatible motor fuel complies with the specifications standards for a that type and classification of motor fuel as provided in [section 214A.2](#).

b. The incompatible motor fuel is selected by the end use consumer of the motor fuel.

c. The incompatible motor fuel is dispensed from a motor fuel pump dispenser that correctly labels the type and classification of fuel dispensed from a motor fuel storage tank.

2. For purposes of [this section](#) subsection 1, a motor fuel is incompatible with a motor according to the manufacturer of the motor.

PART C

CODE ORGANIZATION

Sec. 22. DIRECTIONS TO THE CODE EDITOR — TRANSFERS.

1. The Code editor is directed to make the following transfers:

a. Section 214A.3 to section 214A.21.

b. Section 214A.7 to section 214A.22.

c. Section 214A.8, as amended in this division of this Act, to section 214A.23.

d. Section 214A.19 to section 214A.24.

e. Section 214A.20, as amended in this division of this Act, to section 214A.25.

2. The Code editor shall correct internal references in the Code and in any enacted legislation as necessary due to the enactment of this section.

Sec. 23. DIRECTIONS TO THE CODE EDITOR — SUBCHAPTERS. The Code editor is directed to divide the provisions of chapter 214A, as amended, enacted, or transferred in this division of this Act, into subchapters as follows:

1. Subchapter I, including sections 214A.1 through 214A.20.

2. Subchapter II, including sections 214A.21 through 214A.30.

3. Subchapter III, including sections 214A.31 through 214A.37.

DIVISION II

COMPLIANCE REQUIREMENTS — RENEWABLE FUEL INFRASTRUCTURE

PART A

PRINCIPAL PROVISIONS

Sec. 24. NEW SECTION. 455G.2A Standards and classifications of motor fuel.

For purposes of this chapter, motor fuel must meet the standards and classifications as provided in section 214A.2.

Sec. 25. NEW SECTION. 455G.30 Definitions.

As used in this subchapter, unless the context otherwise requires:

1. "*Biodiesel blended fuel*" means the same as defined in section 214A.1.

2. "*Department*" means the department of natural resources.

3. "*Diesel fuel*" means the same as defined in section 214A.1.

4. "*Diesel fuel storage and dispensing infrastructure*" or "*diesel infrastructure*" means motor fuel storage and dispensing infrastructure as defined in section 214.1 used to store and dispense diesel fuel, including biodiesel blended diesel fuel, at a retail motor fuel site as defined in section 214A.1.

5. "*Ethanol blended gasoline*" means the same as defined in section 214A.1.

6. "*Gasoline storage and dispensing infrastructure*" or

"gasoline infrastructure" means the same as defined in section 214A.1.

7. *"Retail dealer"* means the same as defined in section 214A.1.

Sec. 26. Section 455G.31, subsection 1, paragraph a, Code 2022, is amended by striking the paragraph.

Sec. 27. Section 455G.31, subsection 2, Code 2022, is amended to read as follows:

2. A Subject to section 455G.32, a retail dealer may use gasoline storage and dispensing infrastructure to store and dispense ethanol blended gasoline classified as E-9 or higher if the department ~~of natural resources~~ under [this subchapter](#) or the state fire marshal under [chapter 101](#) determines that ~~it~~ the gasoline infrastructure is compatible with the classification of ethanol blended gasoline being used.

Sec. 28. Section 455G.31, subsection 3, Code 2022, is amended by striking the subsection.

Sec. 29. NEW SECTION. **455G.32 E-85 gasoline compatible infrastructure — compliance requirement.**

1. A retail dealer shall not install, replace, or convert gasoline storage and dispensing infrastructure used to store and dispense ethanol blended gasoline classified as E-15 or higher, unless the installed, replaced, or converted gasoline infrastructure is capable of storing and dispensing ethanol blended gasoline classified as E-85.

2. The infrastructure must be all of the following:

a. Listed as compatible for use with ethanol blended gasoline classified as E-85 by an independent testing laboratory or as approved by the manufacturer.

b. Approved by the department or state fire marshal subject to conditions determined necessary by the department or state fire marshal. The department or state fire marshal may waive the requirement in paragraph "a" upon satisfaction that a substitute requirement serves the same purpose.

Sec. 30. NEW SECTION. **455G.33 B-20 diesel fuel compatible infrastructure — compliance requirement.**

1. A retail dealer shall not install, replace, or convert diesel fuel storage and dispensing infrastructure unless the installed, replaced, or converted diesel fuel infrastructure

is capable of storing and dispensing biodiesel blended fuel classified as B-20 or higher.

2. The infrastructure must be all of the following:

a. Listed as compatible for use with biodiesel blended fuel classified as B-20 or higher by an independent testing laboratory or as approved by the manufacturer.

b. Approved by the department or state fire marshal subject to conditions determined necessary by the department or state fire marshal. The department or state fire marshal may waive the requirement in paragraph "*a*" upon satisfaction that a substitute requirement serves the same purpose.

Sec. 31. **EFFECTIVE DATE.** This part of this division of this Act takes effect January 1, 2023.

PART B
IMPLEMENTATION

Sec. 32. **ADMINISTRATIVE RULES.** The department of natural resources and the state fire marshal may adopt rules under chapter 17A prior to the effective date of part A of this division of this Act, which rules shall take effect January 1, 2023.

DIVISION III
COMPLIANCE REQUIREMENTS — QUALIFIED RENEWABLE FUEL USE BY
STATE MOTOR VEHICLES

Sec. 33. **NEW SECTION. 8A.360 Special definitions.**

As used in this part, unless the context otherwise requires:

1. "*Biodiesel blended fuel*" means the same as defined in section 214A.1.

2. "*Biofuel*" means the same as defined in section 214A.1.

3. "*Determination period*" means any twelve-month period beginning January 1 and ending December 31.

4. "*Ethanol blended gasoline*" means the same as defined in section 214A.1.

5. "*Qualified renewable fuel*" means ethanol blended gasoline or biodiesel blended fuel that meets the standards and classifications for that type of motor fuel as provided in section 214A.2.

Sec. 34. **NEW SECTION. 8A.360A Classification of qualified renewable fuels.**

For purposes of this part, a qualified renewable fuel must

meet the same standards and classifications as provided in section 214A.2.

Sec. 35. Section 8A.362, subsection 3, paragraph b, Code 2022, is amended by striking the paragraph and inserting in lieu thereof the following:

b. The director shall provide for the purchase and operation of motor vehicles using qualified renewable fuels and for the purchase of qualified renewable fuels used to operate those motor vehicles as provided in section 8A.368.

Sec. 36. NEW SECTION. **8A.368 Motor vehicle purchases — qualified renewable fuels.**

1. A motor vehicle operating using an internal combustion engine powered by gasoline or diesel fuel as described in section 8A.362 shall use the highest possible classification of a qualified renewable fuel if all of the following apply:

a. The manufacturer of the motor vehicle or the United States environmental protection agency expressly states that the classification of a qualified renewable fuel is compatible with the motor vehicle's normal operation.

b. That classification of a qualified renewable fuel is commercially available in the region where the motor vehicle is being operated.

c. No emergency situation exists that requires the immediate use of a motor fuel regardless of whether it has been blended with a biofuel.

2. If the highest possible classification of a qualified renewable fuel is available to power an engine used to operate a motor vehicle as provided in subsection 1, a state-issued credit card shall not be used to purchase motor fuel other than that classification of a qualified renewable fuel.

3. A motor vehicle subject to this section shall be affixed with a brightly colored, highly visible renewable fuel sticker. The qualified renewable fuel sticker shall be designed by the department of agriculture and land stewardship to notify the traveling public that the motor vehicle is operating using an internal combustion engine powered by the highest possible classification of that qualified renewable fuel. The department of administrative services shall distribute the stickers to state agencies maintaining a state motor pool.

However, a qualified renewable fuel sticker is not required to be affixed to an unmarked motor vehicle used for purposes of providing law enforcement or security.

4. As part of the department's competitive bidding procedure for the purchase of a motor vehicle operating using an internal combustion engine powered by diesel fuel, the director shall require a bidder to certify that the motor vehicle's manufacturer expressly states that the engine is capable of being powered by biodiesel blended fuel classified as B-20 or higher.

Sec. 37. NEW SECTION. 8A.369 Motor vehicle purchases — qualified renewable fuels — reports.

1. The department shall compile information regarding the department's compliance with section 8A.368 during the previous determination period. The information shall include all of the following:

a. Of the motor vehicles used to routinely travel on the state's highways that operate using internal combustion engines powered by gasoline, all of the following:

(1) The total number of such motor vehicles according to model year.

(2) The total number of such motor vehicles according to model year that are capable of operating using internal combustion engines powered by ethanol blended gasoline classified as E-15 and E-85 according to the express warranty of the motor vehicle's manufacturer.

(3) The total number of gallons of ethanol blended gasoline classified as E-15, and the total number of gallons of ethanol blended gasoline classified as E-85, purchased during the preceding determination period, to the extent such information may be practically obtained.

b. Of the motor vehicles used to routinely travel on the state's highways that operate using internal combustion engines powered by diesel fuel, all of the following:

(1) The total number of such motor vehicles according to model year.

(2) The total number of such motor vehicles according to model year that are capable of operating using internal combustion engines powered by biodiesel blended fuel classified

as B-20 or higher according to the express warranty of the motor vehicle's manufacturer.

(3) The total number of gallons of biodiesel blended fuel classified as B-20 or higher purchased during the preceding determination period, to the extent such information may be practically obtained.

2. The department of administrative services shall prepare a state fleet qualified renewable fuels compliance report which shall consolidate information compiled by the department under subsection 1 together with information compiled by the commission for the blind pursuant to section 216B.3, institutions governed by the state board of regents pursuant to section 262.25A, the department of transportation pursuant to section 307.21, and the department of corrections pursuant to section 904.312A. The department of administrative services shall submit the state fleet qualified renewable fuels compliance report to the governor and general assembly not later than March 1 of each year.

Sec. 38. Section 216B.3, subsection 16, paragraph a, Code 2022, is amended by striking the paragraph and inserting in lieu thereof the following:

a. Provide for the purchase of qualified renewable fuels to power internal combustion engines that are used to operate motor vehicles and for the purchase of motor vehicles operating using engines powered by qualified renewable fuels in the same manner required for the director of the department of administrative services pursuant to section 8A.368. The commission shall compile information regarding compliance with the provisions of this paragraph in the same manner as the department of administrative services pursuant to section 8A.369. The commission shall cooperate with the department of administrative services in preparing the annual state fleet qualified renewable fuels compliance report regarding compliance with this paragraph as provided in section 8A.369.

Sec. 39. Section 262.25A, subsection 2, Code 2022, is amended by striking the subsection and inserting in lieu thereof the following:

2. An institution shall provide for the purchase of qualified renewable fuels to power internal combustion engines

that are used to operate motor vehicles and for the purchase of motor vehicles operating using engines powered by qualified renewable fuels in the same manner required for the director of the department of administrative services pursuant to section 8A.368. An institution shall compile information regarding compliance with the provisions of this subsection in the same manner as the department of administrative services pursuant to section 8A.369. The state board of regents shall cooperate with the department of administrative services in preparing the annual state fleet qualified renewable fuels compliance report regarding compliance with this subsection as provided in section 8A.369.

Sec. 40. Section 307.21, subsection 4, Code 2022, is amended by striking the subsection and inserting in lieu thereof the following:

4. The administrator shall provide for the purchase of qualified renewable fuels to power internal combustion engines that are used to operate motor vehicles and for the purchase of motor vehicles operating using engines powered by qualified renewable fuels in the same manner required for the director of the department of administrative services pursuant to section 8A.368. The department of transportation shall compile information regarding compliance with the provisions of this subsection in the same manner as the department of administrative services pursuant to section 8A.369. The department of transportation shall cooperate with the department of administrative services in preparing the annual state fleet qualified renewable fuels compliance report regarding compliance with this subsection as provided in section 8A.369.

Sec. 41. Section 904.312A, subsection 1, Code 2022, is amended by striking the subsection and inserting in lieu thereof the following:

1. The department of corrections shall provide for the purchase of qualified renewable fuels to power internal combustion engines that are used to operate motor vehicles and for the purchase of motor vehicles operating using engines powered by qualified renewable fuels in the same manner required for the director of the department of administrative

services pursuant to section 8A.368. The department of corrections shall compile information regarding compliance with the provisions of this subsection in the same manner as the department of administrative services pursuant to section 8A.369. The department of corrections shall cooperate with the department of administrative services in preparing the annual state fleet qualified renewable fuels compliance report regarding compliance with this subsection as provided in section 8A.369.

Sec. 42. STATE FLEET QUALIFIED RENEWABLE FUELS COMPLIANCE REPORT. The department of administrative services shall submit its first state fleet qualified renewable fuels compliance report as required pursuant to section 8A.369, as enacted in this division of this Act, not later than July 1, 2023.

DIVISION IV

RENEWABLE FUEL STANDARDS AND

CLASSIFICATIONS — PROMOTIONAL INITIATIVES APPLIED TO INCOME TAXES

PART A

E-85 GASOLINE PROMOTION TAX CREDIT

Sec. 43. Section 422.110, subsection 2, paragraph b, Code 2022, is amended to read as follows:

b. The tax credit shall apply to E-85 gasoline that meets the standards for that classification as provided in section 214A.2.

Sec. 44. Section 422.110, subsection 5, Code 2022, is amended to read as follows:

5. *a.* A retail dealer is eligible to claim an E-85 gasoline promotion tax credit as provided in this section even though the retail dealer claims an E-15 plus gasoline promotion tax credit pursuant to section 422.11Y for the same tax year.

b. This subsection is repealed January 1, 2026.

Sec. 45. Section 422.110, subsection 8, Code 2022, is amended to read as follows:

8. This section is repealed ~~on~~ January 1, ~~2025~~ 2028.

Sec. 46. Section 422.33, subsection 11B, paragraph c, Code 2022, is amended to read as follows:

c. This subsection is repealed ~~on~~ January 1, ~~2025~~ 2028.

Sec. 47. 2006 Iowa Acts, chapter 1142, section 49,

subsection 3, as amended by 2011 Iowa Acts, chapter 113, section 20, and 2016 Iowa Acts, chapter 1106, section 6, is amended to read as follows:

3. For a retail dealer who may claim an E-85 gasoline promotion tax credit under [section 422.110](#) or 422.33, subsection 11B, as enacted in this Act and amended in subsequent Acts, in calendar year ~~2024~~ 2027 and whose tax year ends prior to December 31, ~~2024~~ 2027, the retail dealer may continue to claim the tax credit in the retail dealer's following tax year. In that case, the tax credit shall be calculated in the same manner as provided in [section 422.110](#) or [422.33, subsection 11B](#), as enacted in this Act and amended in subsequent Acts, for the remaining period beginning on the first day of the retail dealer's new tax year until December 31, ~~2024~~ 2027. For that remaining period, the tax credit shall be calculated in the same manner as a retail dealer whose tax year began on the previous January 1 and who is calculating the tax credit on December 31, ~~2024~~ 2027.

PART B

BIODIESEL BLENDED FUEL TAX CREDIT

Sec. 48. Section 422.11P, subsection 3, paragraph b, Code 2022, is amended to read as follows:

b. The tax credit shall apply to biodiesel blended fuel classified as provided in [this section](#), if the classification meets the standards provided in [section 214A.2](#). In ensuring that biodiesel blended fuel meets the classification requirements of [this section](#), the department shall take into account reasonable variances due to testing and other limitations. The department shall adopt rules to provide that where a blending error occurs and an insufficient amount of biodiesel has inadvertently been blended with petroleum-based diesel fuel ~~so that the mixture fails to qualify as B-11 or higher~~ a one percent tolerance applies when classifying the biodiesel blended fuel. If the biodiesel blended fuel does not meet the required classification after applying a one percent tolerance, the department shall adopt rules to determine the classification based on the retail dealer's records of the volume of biodiesel blended with diesel fuel.

Sec. 49. Section 422.11P, subsection 4, Code 2022, is

amended by striking the subsection and inserting in lieu thereof the following:

4. A retail dealer whose tax year is on a calendar year basis shall calculate the amount of the tax credit by multiplying a designated rate by the retail dealer's total biodiesel blended fuel gallonage as provided in section 452A.31 which qualifies under this subsection.

a. In order to qualify for the tax credit, the biodiesel blended fuel must be classified as B-11 or higher as provided in paragraph "b".

b. The designated rate is determined as follows:

(1) For biodiesel blended fuel classified as B-11 or higher but not as high as B-20, the designated rate is five cents.

(2) For biodiesel blended fuel classified as B-20 or higher but not as high as B-30, the designated rate is seven cents. However, a classification higher than B-20 does not qualify for a tax credit under this subparagraph unless standards for that classification have been established by the department of agriculture and land stewardship pursuant to section 214A.2.

(3) For biodiesel blended fuel classified as B-30 or higher, the designated rate is ten cents. A classification of B-30 or higher does not qualify for a tax credit under this subparagraph unless standards for that classification have been established by the department of agriculture and land stewardship pursuant to section 214A.2.

Sec. 50. Section 422.11P, subsection 8, Code 2022, is amended to read as follows:

8. ~~This section~~ is repealed January 1, ~~2025~~ 2028.

Sec. 51. Section 422.33, subsection 11C, paragraph c, Code 2022, is amended to read as follows:

c. ~~This subsection~~ is repealed on January 1, ~~2025~~ 2028.

Sec. 52. 2011 Iowa Acts, chapter 113, section 31, as amended by 2016 Iowa Acts, chapter 1106, section 10, is amended to read as follows:

SEC. 31. TAX CREDIT AVAILABILITY. For a retail dealer who may claim a biodiesel blended fuel promotion tax credit under ~~section 422.11P~~ or ~~422.33, subsection 11C~~, as amended in this Act and amended in subsequent Acts, in calendar year ~~2024~~ 2027, and whose tax year ends prior to December 31, ~~2024~~

2027, the retail dealer may continue to claim the tax credit in the retail dealer's following tax year. In that case, the tax credit shall be calculated in the same manner as provided in section 422.11P or 422.33, subsection 11C, as amended in this Act and amended in subsequent Acts, for the remaining period beginning on the first day of the retail dealer's new tax year until December 31, ~~2024~~ 2027. For that remaining period, the tax credit shall be calculated in the same manner as a retail dealer whose tax year began on the previous January 1 and who is calculating the tax credit on December 31, ~~2024~~ 2027.

Sec. 53. EFFECTIVE DATE. This part of this division of this Act takes effect January 1, 2023.

PART C

E-15 PLUS GASOLINE PROMOTION TAX CREDIT

Sec. 54. Section 422.11Y, subsection 4, Code 2022, is amended by striking the subsection and inserting in lieu thereof the following:

4. A retail dealer whose tax year is on a calendar year basis shall calculate the amount of the tax credit by multiplying a designated rate by the retail dealer's total ethanol blended gasoline gallonage as provided in section 452A.31 which qualifies under this subsection.

a. In order to qualify for the tax credit, the ethanol blended gasoline must be classified as E-15 or higher but must not be E-85 gasoline.

b. The designated rate of the tax credit is nine cents.

Sec. 55. Section 422.11Y, subsection 9, Code 2022, is amended to read as follows:

9. This section is repealed on January 1, ~~2025~~ 2026.

Sec. 56. Section 422.33, subsection 11D, paragraph c, Code 2022, is amended to read as follows:

c. This subsection is repealed on January 1, ~~2025~~ 2026.

Sec. 57. 2011 Iowa Acts, chapter 113, section 37, as amended by 2016 Iowa Acts, chapter 1106, section 3, is amended to read as follows:

SEC. 37. TAX CREDIT AVAILABILITY. For a retail dealer who may claim an E-15 plus gasoline promotion tax credit under section 422.11Y or 422.33, subsection 11D, as enacted in this Act and amended in subsequent Acts, in calendar year ~~2024~~

2025, and whose tax year ends prior to December 31, ~~2024~~ 2025, the retail dealer may continue to claim the tax credit in the retail dealer's following tax year. In that case, the tax credit shall be calculated in the same manner as provided in section 422.11Y or 422.33, subsection 11D, as enacted in this Act and amended in subsequent Acts, for the remaining period beginning on the first day of the retail dealer's new tax year until December 31, ~~2024~~ 2025. For that remaining period, the tax credit shall be calculated in the same manner as a retail dealer whose tax year began on the previous January 1 and who is calculating the tax credit on December 31, ~~2024~~ 2025.

Sec. 58. EFFECTIVE DATE. This part of this division of this Act takes effect January 1, 2023.

PART D

ADMINISTRATION

Sec. 59. ADMINISTRATIVE RULES. The department of revenue may adopt rules under chapter 17A prior to the effective date of parts B and C of this division of this Act, which rules shall take effect January 1, 2023.

DIVISION V

RENEWABLE FUEL STANDARDS

AND CLASSIFICATIONS — PROMOTIONAL INITIATIVES APPLIED TO EXCISE TAX ON ETHANOL BLENDED GASOLINE AND BIODIESEL BLENDED FUEL

PART A

REPORTING REQUIREMENTS

Sec. 60. Section 452A.2, Code 2022, is amended by adding the following new subsection:

NEW SUBSECTION. 37A. "*Renewable fuel*" means the same as defined in section 214A.1.

Sec. 61. NEW SECTION. **452A.2A Standards and classifications of fuel.**

For purposes of this chapter, motor fuel or special fuel, including a renewable fuel, must meet the applicable standards and classifications as provided in section 214A.2.

Sec. 62. Section 452A.31, subsection 1, Code 2022, is amended to read as follows:

1. A determination period is any twelve-month period beginning on January 1 and ending on December 31 in which a

retail dealer who owns or operates a retail motor fuel site sells and dispenses gasoline or diesel fuel from that site as regulated by the department of agriculture and land stewardship pursuant to chapters 214 and 214A.

Sec. 63. Section 452A.31, subsection 2, paragraph a, subparagraph (1), subparagraph division (c), Code 2022, is amended to read as follows:

(c) The total E-15 plus gasoline gallonage which is the total number of gallons of ethanol blended gasoline classified as E-15 or higher, including E-85 gasoline.

Sec. 64. Section 452A.31, subsection 2, paragraph a, subparagraph (1), Code 2022, is amended by adding the following new subparagraph division:

NEW SUBPARAGRAPH DIVISION. (d) The total E-15 gasoline gallonage which is the total number of gallons of ethanol blended gasoline classified as E-15.

Sec. 65. Section 452A.31, subsection 3, paragraph a, Code 2022, is amended to read as follows:

a. A retail dealer's total diesel fuel gallonage is the total number of gallons of diesel fuel which the retail dealer sells and dispenses from all motor fuel pumps operated by the retail dealer in this state during a twelve-month period beginning January 1 and ending December 31. The retail dealer's total diesel fuel gallonage is divided into the following classifications:

(1) The total biodiesel blended fuel gallonage which is the retail dealer's total number of gallons of biodiesel blended fuel, and which includes all of the following subclassifications:

(a) The total B-5 plus gallonage which is the total number of gallons of biodiesel blended fuel classified as B-5 or higher up to but not including B-11.

~~(2)~~ (b) The total B-11 plus gallonage which is the total number of gallons of biodiesel blended fuel classified as B-11 or higher up to but not including B-20.

(c) The total B-20 plus gallonage which is the total number of gallons of biodiesel blended fuel classified as B-20 or higher up to but not including B-30.

(d) The total B-30 plus gallonage which is the total number

of gallons of biodiesel blended fuel classified as B-30 or higher.

~~(3)~~ (2) The total nonblended diesel fuel gallonage which is the total number of gallons of diesel fuel which is not biodiesel or biodiesel blended fuel.

Sec. 66. Section 452A.31, subsection 4, paragraph a, subparagraph (1), subparagraph division (c), Code 2022, is amended to read as follows:

(c) The aggregate E-15 plus gasoline gallonage which is the aggregate total number of gallons of ethanol blended gasoline classified as E-15 or higher, including E-85 gasoline.

Sec. 67. Section 452A.31, subsection 4, paragraph a, subparagraph (1), Code 2022, is amended by adding the following new subparagraph division:

NEW SUBPARAGRAPH DIVISION. (d) The aggregate E-15 gasoline gallonage which is the aggregate total number of gallons of ethanol blended gasoline classified as E-15.

Sec. 68. Section 452A.31, subsection 5, paragraph a, Code 2022, is amended to read as follows:

a. The aggregate diesel fuel gallonage is the total number of gallons of diesel fuel which all retail dealers sell and dispense from all motor fuel pumps operated by the retail dealers in this state during a twelve-month period beginning January 1 and ending December 31. The aggregate diesel fuel gallonage is divided into the following classifications:

(1) The aggregate biodiesel blended fuel gallonage which is the aggregate total number of gallons of biodiesel blended fuel, and which includes all of the following subclassifications:

~~(2)~~ (a) The aggregate ~~B-11~~ B-5 plus gallonage which is the aggregate total number of gallons of biodiesel blended fuel classified as B-5 or higher up to but not including B-11 or higher.

(b) The aggregate B-11 plus gallonage which is the aggregate total number of gallons of biodiesel blended fuel classified as B-11 or higher up to but not including B-20.

(c) The aggregate B-20 plus gallonage which is the aggregate total number of gallons of biodiesel blended fuel classified as B-20 or higher up to but not including B-30.

(d) The aggregate B-30 plus gallonage which is the aggregate total number of gallons of biodiesel blended fuel classified as B-30 or higher.

~~{3}~~ (2) The aggregate nonblended diesel fuel gallonage which is the aggregate total number of gallons of diesel fuel which is not biodiesel or biodiesel blended fuel.

Sec. 69. Section 452A.33, subsection 1, paragraph a, unnumbered paragraph 1, Code 2022, is amended to read as follows:

Each retail dealer shall report its total ~~motor fuel~~ gasoline and diesel fuel gallonage for a determination period as follows:

Sec. 70. Section 452A.33, subsection 1, paragraph b, subparagraphs (1) and (2), Code 2022, are amended to read as follows:

(1) The information submitted on a company-wide basis shall include the total ~~motor~~ gasoline and diesel fuel gallonage, including for each classification and subclassification, sold and dispensed by the retail dealer as provided in paragraph "a" for all retail motor fuel sites from which the retail dealer sells and dispenses ~~motor fuel~~ gasoline or diesel fuel.

(2) The information submitted on a site-by-site basis shall include the total ~~motor~~ gasoline and diesel fuel gallonage, including for each classification and subclassification, sold and dispensed by the retail dealer as provided in paragraph "a" separately for each retail motor fuel site from which the retail dealer sells and dispenses ~~motor~~ gasoline or diesel fuel.

Sec. 71. Section 452A.33, subsection 1, paragraph c, Code 2022, is amended to read as follows:

c. (1) The retail dealer shall prepare and ~~submit~~ file the report with the department in a manner and according to procedures required by the department in compliance with section 452A.61. However, the department may require that the retail dealer file the report with the department by electronic transmission. The department may require that retail dealers report to the department on an annual, quarterly, or monthly basis. The department, upon application by a retail dealer, may grant a reasonable extension of time to file the report.

(2) If a retail dealer fails to file the report as required by this section or fails to maintain records required to file the report the department may impose a civil penalty of not more than one hundred dollars per occurrence in addition to any other penalty provided by law. The penalty amount shall be deposited into the general fund of the state.

Sec. 72. Section 452A.33, subsection 1, paragraph d, Code 2022, is amended to read as follows:

d. The information included in a report submitted by a retail dealer is deemed to be a trade secret, protected as a confidential record pursuant to [section 22.7](#). However, upon request by the department of agriculture and land stewardship pursuant to section 159A.14 or 214A.36, the department of revenue shall certify a retail motor fuel site's average total gasoline gallonage for a qualifying phase as provided in each of those sections.

Sec. 73. Section 452A.33, subsection 2, paragraph c, Code 2022, is amended to read as follows:

c. The report shall not provide information regarding ~~motor fuel or~~ gasoline, diesel fuel, or a biofuel which is sold and dispensed by an individual retail dealer or at a particular retail motor fuel site. The report shall not include a trade secret protected as a confidential record pursuant to section 22.7.

Sec. 74. EMERGENCY RULES. The department of revenue may adopt emergency rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of sections 452A.31 and 452A.33 as amended by this part of this division of this Act. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in section 17A.4.

Sec. 75. EFFECTIVE DATE. This part of this division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 76. RETROACTIVE APPLICABILITY. This part of this division of this Act applies retroactively to January 1, 2022.

PART B

EXCISE TAX IMPOSED ON GASOLINE AND DIESEL FUEL

Sec. 77. Section 452A.3, subsection 1, paragraph b,

unnumbered paragraph 1, Code 2022, is amended to read as follows:

On and after July 1, ~~2026~~ 2030, an excise tax of thirty cents is imposed on each gallon of ethanol blended gasoline classified as E-15 or higher. Before July 1, ~~2026~~ 2030, the rate of the excise tax on ethanol blended gasoline classified as E-15 or higher shall be based on the number of gallons of ethanol blended gasoline classified as E-15 or higher that are distributed in this state as expressed as a percentage of the number of gallons of motor fuel distributed in this state, which is referred to as the distribution percentage. For purposes of this paragraph "b", only ethanol blended gasoline and nonblended gasoline, not including aviation gasoline, shall be used in determining the percentage basis for the excise tax. The department shall determine the percentage basis for each determination period beginning January 1 and ending December 31 based on data information from ~~the reports filed~~ submitted to the department for filing pursuant to section 452A.33. The rate for the excise tax shall apply for the period beginning July 1 and ending June 30 following the end of the determination period. Before July 1, ~~2026~~ 2030, the rate of the excise tax on each gallon of ethanol blended gasoline classified as E-15 or higher shall be as follows:

Sec. 78. Section 452A.3, subsection 3, paragraph a, subparagraph (1), Code 2022, is amended to read as follows:

(1) Except as otherwise provided in this section and in this subchapter, the rate of the excise tax on each gallon of special fuel for diesel engines of motor vehicles used for any purpose for the privilege of operating motor vehicles in this state, other than biodiesel blended fuel classified as ~~B-11~~ B-20 or higher, is thirty-two and five-tenths cents per gallon.

Sec. 79. Section 452A.3, subsection 3, paragraph a, subparagraph (2), unnumbered paragraph 1, Code 2022, is amended to read as follows:

Except as otherwise provided in this section and in this subchapter, this subparagraph shall apply to the excise tax imposed on each gallon of biodiesel blended fuel classified as ~~B-11~~ B-20 or higher used for any purpose for the privilege of operating motor vehicles in this state. On and after July

1, ~~2026~~ 2030, the rate of the excise tax on each gallon of biodiesel blended fuel classified as ~~B-11~~ B-20 or higher is thirty-two and five-tenths cents. Before July 1, ~~2026~~ 2030, the rate of the excise tax on each gallon of biodiesel blended fuel classified as B-20 or higher shall be based on the number of gallons of biodiesel blended fuel classified as ~~B-11~~ B-20 or higher that are distributed in this state as expressed as a percentage of the number of gallons of special fuel for diesel engines of motor vehicles distributed in this state, which is referred to as the distribution percentage. The department shall determine the percentage basis for each determination period beginning January 1 and ending December 31 based on ~~data~~ information from the reports filed submitted to the department for filing pursuant to [section 452A.33](#). The rate of the excise tax shall apply for the period beginning July 1 and ending June 30 following the end of the determination period. Before July 1, ~~2026~~ 2030, the rate of the excise tax on each gallon of biodiesel blended fuel classified as ~~B-11~~ B-20 or higher shall be as follows:

Sec. 80. EFFECTIVE DATE. This part of this division of this Act takes effect July 1, 2024.

PART C

DEDUCTION OF EXCISE TAX IMPOSED ON BIOFUEL

USED IN BLENDING WITH GASOLINE AND DIESEL FUEL

Sec. 81. Section 452A.8, subsection 2, paragraph a, Code 2022, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (3) (a) The gallonage of gasoline or diesel fuel withdrawn from a terminal by a licensee to be blended with a biofuel after it is withdrawn from the terminal to the extent the tax rate on the gasoline or diesel fuel exceeds the tax rate which would be due on the ethanol blended gasoline or biodiesel blended fuel pursuant to section 452A.3.

(b) This subparagraph is repealed July 1, 2030.

DIVISION VI

RENEWABLE FUEL STANDARDS AND CLASSIFICATIONS — PROMOTIONAL

INITIATIVES APPLIED TO SALES AND USE TAX — REFUND PAID TO

BIODIESEL PRODUCERS

PART A

PRINCIPAL PROVISIONS

Sec. 82. Section 423.4, subsection 9, Code 2022, is amended to read as follows:

9. A person who qualifies as a biodiesel producer as provided in [this subsection](#) may apply to the director for a refund of the amount of the sales or use tax imposed and paid upon purchases made by the person.

a. The person must be engaged in the manufacturing of biodiesel who has registered with the United States environmental protection agency as a manufacturer according to the requirements in [40 C.F.R. §79.4](#). The biodiesel must be for use in biodiesel blended fuel in conformance with the standards and classifications in [section 214A.2](#). The person must comply with the requirements of [this subsection](#) and rules adopted by the department pursuant to [this subsection](#).

b. The amount of the refund shall be calculated by multiplying a designated rate by the total number of gallons of biodiesel produced by the biodiesel producer in this state during each quarter of a calendar year. The designated rate shall be ~~two~~ four cents.

c. A biodiesel producer shall not be eligible to receive a refund under [this subsection](#) on more than twenty-five million gallons of biodiesel produced each calendar year by the biodiesel producer at each facility where the biodiesel producer manufactures biodiesel.

d. A person shall obtain a refund by completing forms furnished by the department and filed by the person on a quarterly basis as required by the department. The department shall refund the amount claimed by the person after subtracting any amount owing from the sales or use taxes imposed and paid upon purchases made by the person.

e. [This subsection](#) is repealed on January 1, ~~2025~~ 2028.

Sec. 83. EFFECTIVE DATE. This part of this division of this Act takes effect January 1, 2023.

PART B IMPLEMENTATION

Sec. 84. ADMINISTRATIVE RULES. The department of revenue may adopt rules under chapter 17A prior to the effective date of part A of this division of this Act, which rules shall take effect January 1, 2023.

DIVISION VII
PROMOTIONAL INITIATIVES — RENEWABLE FUEL INFRASTRUCTURE
PART A
RENEWABLE FUEL INFRASTRUCTURE PROGRAM FOR RETAIL MOTOR FUEL
SITES

Sec. 85. Section 159A.11, subsection 6, Code 2022, is amended by striking the subsection and inserting in lieu thereof the following:

6. *"Motor fuel storage and dispensing infrastructure"* or *"infrastructure"* means the same as defined in section 214.1.

Sec. 86. Section 159A.11, Code 2022, is amended by adding the following new subsection:

NEW SUBSECTION. 6A. *"Motor fuel storage tank"* means the same as defined in section 214.1.

Sec. 87. Section 159A.11, subsection 10, Code 2022, is amended by striking the subsection.

Sec. 88. Section 159A.12, Code 2022, is amended to read as follows:

159A.12 Classification Standards and classifications of motor fuel and renewable fuel.

For purposes of ~~this subchapter~~, ~~ethanol-blended fuel and biodiesel motor fuel shall be classified in the same manner, including a renewable fuel, must meet the same standards and classifications as provided in~~ section 214A.2.

Sec. 89. Section 159A.13, subsection 6, Code 2022, is amended by striking the subsection.

Sec. 90. Section 159A.14, subsections 1 and 2, Code 2022, are amended to read as follows:

1. The purpose of the program is to improve retail motor fuel sites by installing, replacing, or converting infrastructure to be used to store, blend, or dispense renewable fuel. The infrastructure shall be ethanol infrastructure or biodiesel infrastructure.

a. (1) Ethanol infrastructure shall ~~be designed and used exclusively have the capacity to~~ do any of the following:

(a) ~~Store and dispense E-15 gasoline. At least for the period beginning on September 16 and ending on May 31 of each year, the ethanol infrastructure must be used to store and dispense E-15 gasoline as a registered fuel recognized by the~~

~~United States environmental protection agency.~~

(b) Store and dispense E-85 gasoline.

(c) (b) Store, blend, and dispense motor fuel ethanol or ethanol blended gasoline from a motor fuel blender pump. The ethanol infrastructure must be used for the storage of ethanol or ethanol blended gasoline, or for blending ethanol with gasoline. The ethanol infrastructure must at least include a motor fuel blender pump ~~which~~ that dispenses different classifications of ethanol blended gasoline and allows E-15 gasoline and E-85 gasoline to be dispensed at all times that the blender pump is operating.

(2) Biodiesel infrastructure shall ~~be designed and used exclusively~~ have the capacity to do any of the following:

(a) Store and dispense biodiesel or biodiesel blended fuel classified as B-20 or higher.

(b) ~~Blend or~~ Store, blend, and dispense biodiesel fuel from a motor fuel blender pump. The biodiesel infrastructure must at least include a motor fuel blender pump that dispenses different classifications of biodiesel blended fuel and allows biodiesel blended fuel classified as B-5 or higher to be dispensed at all times that the blender pump is operating.

b. The infrastructure must be part of the premises of a retail motor fuel site operated by a retail dealer. The infrastructure shall not include a tank vehicle.

2. a. A person may apply to the department to receive financial incentives ~~on a cost-share basis~~ according to procedures required by the department. The department shall accept a timely received application to improve a retail motor fuel site as provided in this section and forward the applications that application to the ~~underground storage tank fund infrastructure board,~~ as required by that the board, for ~~evaluation and recommendation. The underground storage tank fund board may rank the applications with comments and shall forward them to the infrastructure board for its~~ approval or disapproval.

b. The application shall allow the department to determine all of the following:

(1) The tier designation of the retail motor fuel site as provided in subsection 4B.

(2) Whether the retail dealer would be in compliance with the general E-15 access standard or the alternative E-15 access standard as provided in section 214A.32 if that standard were implemented on the date the application was filed.

(3) Whether the person is a retail dealer assigned special status. The department shall assign the person special status if the person does not comply with the E-15 access standard as provided in section 214A.32 and the person is ineligible to be issued an E-15 incompatible infrastructure class 2 waiver order for that retail motor fuel site as provided in section 214A.35, subsection 6.

c. The department shall award financial incentives on a cost-share basis to an eligible person whose application was approved by the infrastructure board.

d. An application shall automatically expire if the application has not been approved or disapproved by the board as provided in this section within twenty-four months after the department files the submitted application.

e. The infrastructure board shall not delay approving an application or financing agreement to install, replace, or convert ethanol infrastructure based on its priority status as provided in subsection 4B.

Sec. 91. Section 159A.14, subsection 3, unnumbered paragraph 1, Code 2022, is amended to read as follows:

The infrastructure board shall approve ~~cost-share~~ financing agreements entered into by the department and persons that the infrastructure board determines are eligible as provided in this section, according to terms and conditions required by the infrastructure board. ~~The infrastructure board shall determine the amount of the financial incentives to be awarded to a person participating in the program.~~ In order to be eligible to participate in the program, all of the following must apply:

Sec. 92. Section 159A.14, subsection 3, paragraph b, subparagraph (4), Code 2022, is amended to read as follows:

(4) A statement certifying that the infrastructure shall only be used to comply with the provisions of this section and as specified in the ~~cost-share~~ financing agreement, unless granted a waiver by the infrastructure board pursuant to this

section.

Sec. 93. Section 159A.14, Code 2022, is amended by adding the following new subsections:

NEW SUBSECTION. 4A. A financing agreement shall be for a five-year period. The financing agreement shall include provisions for standard financial incentives or standard financial incentives and supplemental financial incentives as provided in this section. The infrastructure board may approve multiple improvements to the same retail motor fuel site for the full amount available for both ethanol infrastructure and biodiesel infrastructure so long as the improvements for ethanol infrastructure and for biodiesel infrastructure are made under separate financing statements.

a. For the term of a financing agreement to improve a retail motor fuel site by installing, replacing, or converting ethanol infrastructure, the participating person must use the ethanol infrastructure to store and dispense, or store, blend, and dispense, ethanol blended gasoline classified as E-15 or higher.

b. For the term of a financing agreement to improve a retail motor fuel site by installing, replacing, or converting biodiesel infrastructure, the participating person must use the biodiesel infrastructure to store and dispense, or store, blend, and dispense, biodiesel blended fuel classified as B-5 or higher. However, at least for the period beginning April 1 and ending October 31 of each year, the participating person must use the biodiesel infrastructure to store and dispense, or store, blend, and dispense, biodiesel blended fuel classified as B-11 or higher.

NEW SUBSECTION. 4B. *a.* The infrastructure board shall award standard financial incentives to improve a retail motor fuel site by installing, replacing, or converting ethanol infrastructure designated by the department as a tier I site or tier II site. The department's designation shall be based on all of the following:

(1) The total number of retail motor fuel sites that store and dispense gasoline, or store, blend, and dispense gasoline, that are owned or operated in this state by the eligible person on the date of the application.

(2) The retail motor fuel site's average total gasoline gallonage for the qualifying phase that includes the three calendar years immediately prior to the year that the eligible person submitted the application.

(a) Upon request by the department of agriculture and land stewardship, the department of revenue shall certify the average total gasoline gallonage for the retail motor fuel site computed for the qualifying phase. The computation shall be based on site-by-site information for the retail motor fuel site in reports required to be filed for determination periods by the retail dealer with the department of revenue pursuant to chapter 452A, subchapter II. However, if the department of revenue cannot obtain site-by-site information for the retail motor fuel site from such reports, the department of revenue may use other methods, including records maintained by the department of revenue under chapter 422, to compute the retail motor fuel site's gallonage for all or any part of that qualifying phase.

(b) A person who submits an application under this section shall waive the confidentiality of information in the department of revenue's certification identifying the person or retail motor fuel site otherwise applicable under chapter 422 or 452A. The information maintained by the department of agriculture and land stewardship under this section is a confidential record under section 22.7 and shall be used by the department of agriculture and land stewardship and the infrastructure board for the limited purpose of evaluating the eligible person's application for approval and entering into a financing agreement with the participating person. The application shall include a notice of the waiver. The department of agriculture and land stewardship or the infrastructure board shall redact such identifying information in any record otherwise requiring disclosure by that department under chapter 22.

(c) The department of revenue, in cooperation with the department of agriculture and land stewardship, may adopt rules to administer this subparagraph.

b. (1) For a tier I site, all of the following apply:

(a) The eligible person must own or operate a total of ten

or fewer of the retail motor fuel sites described in paragraph "a" regardless of their designations.

(b) The eligible person must not have stored and dispensed E-15 gasoline at the retail motor fuel site at any time prior to submitting the application.

(c) The retail motor fuel site's average total gasoline gallonage as certified by the department of revenue as provided in paragraph "a" must not be more than one hundred forty thousand gallons.

(2) The amount of standard financial incentives awarded to improve the tier I site is ninety percent of the actual cost of making the improvement or sixty-three thousand nine hundred dollars, whichever is less.

c. (1) For a tier II site, all of the following apply:

(a) The eligible person must own or operate a total of ten or fewer retail motor fuel sites described in paragraph "a" regardless of their designations.

(b) The eligible person must not have stored and dispensed E-15 gasoline at the retail motor fuel site at any time prior to submitting the application.

(c) The retail motor fuel site's average total gasoline gallonage as certified by the department of revenue as provided in paragraph "a" must be more than one hundred forty thousand gallons but not more than four hundred fifty thousand gallons.

(2) The amount of standard financial incentives awarded to improve the tier II site is seventy-five percent of the actual cost of making the improvements or fifty-three thousand two hundred fifty dollars, whichever is less.

d. The infrastructure board shall award standard financial incentives to improve a retail motor fuel site by installing, replacing, or converting ethanol infrastructure at a tier III site as designated by the department.

(1) Any retail motor fuel site not designated as a tier I site under paragraph "b" or a tier II site under paragraph "c" shall be designated as a tier III site.

(2) The amount of standard financial incentives awarded to improve the tier III site is seventy percent of the actual cost of making the improvement or fifty thousand dollars, whichever is less.

e. The infrastructure board shall establish a system to rank applications to improve a retail motor fuel site by installing, replacing, or converting ethanol infrastructure according to an order or priority order as follows:

(1) For the first priority, a retail motor fuel site assigned a special status as provided in subsection 2.

(2) For the second priority, a retail motor fuel site that is a tier I site as provided in this subsection.

(3) For the third priority, a retail motor fuel site that is a tier II site as provided in this subsection.

(4) For the fourth priority, a tier III site as provided in this subsection. Among tier III sites, the infrastructure board shall prioritize a retail motor fuel site that included motor fuel storage and dispensing infrastructure used to store and dispense gasoline prior to January 1, 2023.

NEW SUBSECTION. 4C. The amount of standard financial incentives awarded to an eligible person to improve a retail motor fuel site by installing, replacing, or converting biodiesel infrastructure is seventy percent of the actual cost of making the improvement or fifty thousand dollars, whichever is less.

Sec. 94. Section 159A.14, subsection 5, unnumbered paragraph 1, Code 2022, is amended by striking the unnumbered paragraph and inserting in lieu thereof the following:

The department may provide for dedicated financing to an eligible person who receives standard financing under subsection 4B or 4C, subject to all of the following:

Sec. 95. Section 159A.14, subsection 5, paragraph a, Code 2022, is amended by striking the paragraph and inserting in lieu thereof the following:

a. If the department determines that a participating person is assigned special status because the participating person is ineligible to be issued an E-15 incompatible infrastructure class 2 waiver order for the retail motor fuel site as provided in subsection 2, the infrastructure board may approve one or multiple awards of standard financial incentives to make improvements to that retail motor fuel site subject to all of the following:

(1) The total amount of awards shall not be reduced by the

amount of any standard or special financial incentives awarded to improve the retail motor fuel site under a prior financing agreement, notwithstanding subsection 4A.

(2) The total amount of awards for ethanol infrastructure under the financing agreement to be entered into by the retail dealer and department shall not exceed the limitations provided in subsection 4B.

Sec. 96. Section 159A.14, subsection 5, paragraph b, Code 2022, is amended to read as follows:

b. In addition to any standard financial incentives awarded to a participating person under ~~paragraph "a"~~, subsections 4B and 4C, the participating person may be awarded supplemental financial incentives to make improvements to a retail motor fuel site to ~~do any of the following~~:

~~(1) Upgrade or replace a dispenser which is part of gasoline storage and dispensing infrastructure used to store and dispense E-85 gasoline as provided in section 455G.31. The participating person is only eligible to be awarded the supplemental financial incentives if the person installed the dispenser not later than sixty days after July 27, 2011. The supplemental financial incentives awarded to the participating person shall not exceed seventy-five percent of the actual cost of making the improvement or thirty thousand dollars, whichever is less.~~

~~(2) To improve additional retail motor fuel sites owned or operated by a participating person within a twelve-month period as provided in the cost-share agreement. The supplemental financial incentives shall be used for the installation of an additional motor fuel storage tank and associated infrastructure at each such retail motor fuel site. A participating person may be awarded supplemental financial incentives under this ~~subparagraph~~ paragraph "b" and standard financial incentives under ~~paragraph "a"~~ subsection 4B or 4C to improve the same retail motor fuel site. The supplemental financial incentives awarded to the participating person shall not exceed twenty-four thousand dollars. The participating person shall be awarded the supplemental financial incentives on a cumulative basis according to the schedule provided in this ~~subparagraph~~ paragraph, which shall not exceed the~~

following:

~~{a}~~ (1) For the second retail motor fuel site, six thousand dollars.

~~{b}~~ (2) For the third retail motor fuel site, six thousand dollars.

~~{c}~~ (3) For the fourth retail motor fuel site, six thousand dollars.

~~{d}~~ (4) For the fifth retail motor fuel site, six thousand dollars.

Sec. 97. Section 159A.14, subsection 6, unnumbered paragraph 1, Code 2022, is amended to read as follows:

A participating person shall not use the infrastructure to store and dispense motor fuel other than the type of renewable fuel approved by the board in the ~~cost-share~~ financing agreement, unless one of the following applies:

Sec. 98. Section 159A.15, subsection 1, Code 2022, is amended to read as follows:

1. A person may apply to the department to receive financial incentives on a cost-share basis. ~~The department shall forward the applications to the underground storage tank fund board as required by that board for evaluation and recommendation. The underground storage tank fund board may rank the applications with comments and shall forward them to the infrastructure board for approval or disapproval.~~ The department shall award financial incentives ~~on a cost-share basis~~ to an eligible person whose application was approved by the infrastructure board.

Sec. 99. EFFECTIVE DATE. This part of this division of this Act takes effect January 1, 2023.

PART B

RULEMAKING

Sec. 100. ADMINISTRATIVE RULES. The department of agriculture and land stewardship shall submit a notice of intended action to the administrative rules coordinator and the Iowa administrative code editor pursuant to section 17A.4, subsection 1, paragraph "a", not later than July 1, 2022, for the adoption of rules required to implement part A of this division of this Act.

Sec. 101. EFFECTIVE DATE. This part of this division of this Act, being deemed of immediate importance, takes effect upon enactment.

PAT GRASSLEY
Speaker of the House

JAKE CHAPMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2128, Eighty-ninth General Assembly.

MEGHAN NELSON
Chief Clerk of the House

Approved _____, 2022

KIM REYNOLDS
Governor